

***CITY OF COHOES INDUSTRIAL
DEVELOPMENT AGENCY***

FINANCIAL STATEMENTS

DECEMBER 31, 2021

CITY OF COHOES INDUSTRIAL DEVELOPMENT AGENCY

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
City of Cohoes Industrial
Development Agency
Cohoes, New York

Opinion

We have audited the accompanying financial statements of the City of Cohoes Industrial Development Agency, which comprise the statement of financial position as of December 31, 2021, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the City of Cohoes Industrial Development Agency as of December 31, 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Cohoes Industrial Development Agency and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Cohoes Industrial Development Agency's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Cohoes Industrial Development Agency's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Cohoes Industrial Development Agency's ability to continue as a going concern for a reasonable period of time.

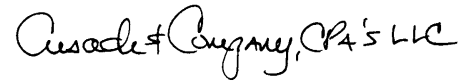
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Supplemental Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of indebtedness on page 12 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 21, 2022 on our consideration of the City of Cohoes Industrial Development Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Cohoes Industrial Development Agency's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Cohoes Industrial Development Agency's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Cusack & Company, CPA's LLC". The signature is written in a cursive, flowing style.

CUSACK & COMPANY, CPA'S LLC

Latham, New York
January 21, 2022

CITY OF COHOES INDUSTRIAL DEVELOPMENT AGENCY

STATEMENT OF NET POSITION

DECEMBER 31, 2021

ASSETS

Cash	\$ 490,793
Property Held for Development	<u>164,680</u>
Total Assets	<u><u>\$ 655,473</u></u>

LIABILITIES

Accounts Payable and Accrued Expenses	<u>\$ 2,988</u>
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NET POSITION

Net Position	<u>652,485</u>
Total Liabilities and Net Position	<u><u>\$ 655,473</u></u>

CITY OF COHOES INDUSTRIAL DEVELOPMENT AGENCY
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2021

Revenue:	
Administrative Fees - Net	\$ 153,227
Expenses:	
Professional Fees	40,559
Insurance	4,056
Cost of Property Held for Sale	12,634
Other Expenses	<u>668</u>
Total Expenses	<u>57,917</u>
Excess of Revenue Over Expenses	95,310
Net Position, Beginning of Year	<u>557,175</u>
Net Position, End of Year	<u><u>\$ 652,485</u></u>

CITY OF COHOES INDUSTRIAL DEVELOPMENT AGENCY

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2021

Cash Flows from Operating Activities:

Received for Administrative Fees	\$ 153,227
Paid for Suppliers and Vendors	<u>(56,153)</u>
Cash Flows Provided by Operating Activities	<u>97,074</u>

Cash Flows from Investing Activities

Expended on Property Held for Development	<u>(4,480)</u>
Net Cash Used in Investing Activities	<u>(4,480)</u>

Net Increase in Cash 92,594

Cash, Beginning of Year 398,199

Cash, End of Year \$ 490,793

Reconciliation of Excess of Expenses over Revenue to Net Cash

Provided by Operating Activities	
Excess of Expenses Over Revenue	\$ 95,310

Increase in

Accounts Payable and Accrued Expenses	<u>1,764</u>
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Cash Flows Provided by Operating Activities \$ 97,074

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Business Activity

The City of Cohoes Industrial Development Agency (the “Agency”) was created in 1972 by the State of New York under the provisions of Chapter 313 of the 1972 Laws of New York State for the purpose of encouraging economic growth in the City of Cohoes (the “City”). The City appoints the Agency’s governing board.

Basis of Accounting

The Agency has prepared its financial statements in accordance with accounting principles generally accepted in the United States of America as applied to government units (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standards setting body for establishing GAAP for state and local governments through its pronouncements (Standards and Interpretation).

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements is as follows.

Contributions

Contributions received and unconditional promises to give are measured at their fair values.

Income Taxes

The Agency operates as an independent entity and is exempt from Federal, State and local income taxes.

Budget

Although the Agency submits an annual budget to the Authorities Budget Office, it does not have a budget created by appropriation bills or ordinances which are signed into law. Therefore, budgetary comparison schedules are not required as supplemental information.

Subsequent Events

Management has evaluated subsequent events or transactions as to any potential material impact on operations or financial position occurring through January 21, 2022, the date the financial statements were available to be issued. No such events or transactions were identified.

CITY OF COHOES INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2021

2. INDUSTRIAL DEVELOPMENT REVENUE BOND AND NOTE TRANSACTIONS

Certain industrial development revenue bonds and notes issued by the Agency are collateralized by property which is leased to companies and is retired by lease payments. The bonds and notes are not obligations of the Agency, the City, or New York State. The Agency does not record the assets or liabilities resulting from completed bonds and notes issued in its accounts since its primary function is to arrange the financing between the borrowing companies and the bond and note holders, and funds arising therefrom are controlled by trustees or banks acting as fiscal agents. For providing this service, the Agency receives bond administration fees from the borrowing companies. Such administrative fee income is recognized immediately upon issuance of bonds and notes. Industrial bonds issued and outstanding at December 31, 2021 were \$3,300,000 for one loan to American Housing Management Co. Inc.

3. CASH AND INVESTMENTS

The Agency's investment policies are governed by State statutes. Agency monies must be deposited in FDIC insured commercial banks or trust companies located within the State. The Agency is authorized to use demand accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury and obligations of New York State and its localities.

The total bank balance of \$491,143 at December 31, 2021 was covered by FDIC Insurance of \$250,000 with the remainder collateralized.

The Agency had no investments or investment income for 2021, and therefore an independent auditor's report on compliance with investment guidelines for public authorities was not issued.

4. PROPERTY HELD FOR DEVELOPMENT

Property held for development consists of the following:

Vacant Lot - Ontario Street	\$ 100
Commercial Lot - 230 Remsen Street	100
Commercial Lot - 222 Remsen Street	4,480
Commercial Lots - 178-182 Ontario Street	<u>160,000</u>
	<u>\$ 164,680</u>

Property held for development is evaluated for impairment on an annual basis.

5. LINE OF CREDIT

The Agency has a \$1,000,000 line of credit available to acquire property held for development, of which \$0 was outstanding at December 31, 2021.

CITY OF COHOES INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2021

6. UNCERTAINTY

The United States is presently in the midst of a national health emergency related to a virus commonly known as Novel Coronavirus (COVID-19). The overall consequences of COVID-19 on a national, regional, and local level are unknown, but it has the potential to result in a significant economic impact. The impact of this situation on the Agency and its future financial position and results of operations is not presently determinable.

**ADDITIONAL REPORT REQUIRED BY
*GOVERNMENT AUDITING STANDARDS***

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Directors
City of Cohoes Industrial
Development Agency
Cohoes, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the City of Cohoes Industrial Development Agency, which comprise the statement of net position as of December 31, 2021, and the related statements of revenue, expenses and changes in net position and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated January 21, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Cohoes Industrial Development Agency's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Cohoes Industrial Development Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Cohoes Industrial Development Agency's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City of Cohoes Industrial Development Agency's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Cohoes Industrial Development Agency's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Cohoes Industrial Development Agency's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Cohoes Industrial Development Agency's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CUSACK & COMPANY, CPA'S LLC

Latham, New York
January 21, 2022

SUPPLEMENTAL INFORMATION

CITY OF COHOES INDUSTRIAL DEVELOPMENT AGENCY

SCHEDULE OF INDEBTEDNESS

DECEMBER 31, 2021

<u>Project</u>	<u>Issuance Date</u>	<u>Outstanding Beginning of Fiscal Year</u>	<u>Issued During Fiscal Year</u>	<u>Paid During Fiscal Year</u>	<u>Outstanding End of Fiscal Year</u>	<u>Final Maturity Date</u>
American Housing Management Co, Inc. 427 Columbia Street Cohoes, NY 12047	1/14/2004	<u>\$ 3,500,000</u>	<u>\$ -</u>	<u>\$ 200,000</u>	<u>\$ 3,300,000</u>	2024